

Ref: SEL/2019-20/21

July 01, 2019

To,
The Dy Gen Manager
Corporate Relationship Dept
BSE Limited
PJ Tower, Dalal Street,
Mumbai - 400 001

To,
National Stock Exchange of India Ltd.
Exchange Plaza, Plot no. C/1, G Block,
Bandra-Kurla Complex, Bandra (E),
Mumbai - 400 051
Fax : 022-26598237-38

Equity Scrip Code:532710

Equity Scrip Name: SADBHAV

Sub: Press Release and Presentation

Dear Sir / Madam,

With reference to above, please find enclosed herewith Press Release and Presentation towards the proposed sale of entire equity share capital held by Sadbhav Infrastructure Project Limited (A subsidiary of Company) in 9 Operational Road Projects to the IndInfravit Trust, an irrevocable trust set-up under the relevant provisions of the Indian Trusts Act, 1882, and registered with the Securities and Exchange Board of India as an infrastructure investment trust.

You are requested to take the same on record.

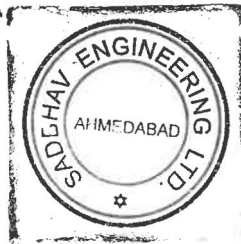
Thanking You,

Yours Faithfully,

For, Sadbhav Engineering Limited



Tushar Shah
Company Secretary
Mem. No. F7216



Encl: As Above

01st July 2019

IndInfraVIT Trust and Sadbhav Infrastructure Project Limited (SIPL) enter into definitive agreements for the acquisition of the entire equity holding of SIPL in nine of its operational road projects¹ by IndInfraVIT.

IndInfraVIT Trust (“IndInfraVIT”) and Sadbhav Infrastructure Project Limited (“SIPL”) today executed definitive agreements whereby IndInfraVIT has agreed to purchase the entire equity shareholding of SIPL in nine of SIPL’s operational road projects¹ (“Roads Portfolio”) from SIPL. The transaction values 100% of the Roads Portfolio at an enterprise value of approximately INR 66,100 million².

Upon completion of the transaction, pursuant to the definitive agreements, SIPL will receive the consideration from IndInfraVIT in cash as well as allotment of units of IndInfraVIT; post completion, SIPL will hold not exceeding 10% unitholding in IndInfraVIT.

The transaction is subject to certain regulatory and other customary conditions precedent common in transactions of this nature, including the approval of the relevant regulatory authorities and lenders as well as unitholders of IndInfraVIT and shareholders of SIPL.

The Roads Portfolio comprises seven toll roads and two annuity roads, with total 2,619 lane kms in Gujarat, Karnataka, Maharashtra, Rajasthan and Telangana, some of India’s most economically vibrant states. The roads forming part of the Roads Portfolio have been operational, on an average, for approximately six years, and are used by diverse groups of road users and commercial traffic. The states in which these roads are present contribute c.39% to the GDP and c.28% to the population of India.

IndInfraVIT, sponsored by L&T Infrastructure Development Projects Limited (“L&T IDPL”), currently holds a portfolio of five operational toll road concessions. In addition to L&T IDPL, the other unitholders include Allianz insurance companies represented by Allianz Capital Partners, Canada Pension Plan Investment Board (“CPPIB”) and OMERS Infrastructure.

This transaction is in line with IndInfraVIT’s strategy to acquire additional road projects in India, and significantly expands IndInfraVIT’s current portfolio.

SIPL is a leading Indian road developer, majority of which is owned by Sadbhav Engineering Limited (“SEL”). Both SIPL and SEL are entities listed on the stock exchanges in India. Post the completion of this transaction, SIPL will continue to own three operational road project companies and 12 under-construction road projects under the Hybrid Annuity Model. SIPL will continue to focus on its core expertise of development of new roads and utilise the sale proceeds from this transaction to recycle capital in to bidding for new road projects, inject equity in current under-construction projects and prepay debt.

¹ Stake in one project is currently held by SEL, parent of SIPL

² Subject to certain adjustments in accordance with the terms and conditions of the relevant definitive agreements and compliance with requirements of applicable law

“The proposed acquisition of Sadbhav’s completed and revenue generating road assets by the IndInfraVIT Trust is a landmark deal, which we anticipate will generate significant economic benefits to both parties. Today’s announcement serves as a clear expression of our intentions to actively pursue growth and expand the IndInfraVIT Trust’s revenue base. Further, the InvIT platform clearly underlines how India remains an attractive destination for serious and committed long-term investors, and we look forward to more such transactions in the near future,” said J. Subramanian, Chief Executive, LTIDPL InvIT Services Limited (Investment Manager-IndInfraVIT).

“As a long-term investor, we are very glad that our customers can benefit from the growth potential of the Indian economy while contributing to its core infrastructure. We look forward to working jointly with our partners on these assets which are crucial for the economic and social development of the region and make a strategic fit to the diversification of our portfolio,” said Christian Fingerle, Chief Investment Officer at Allianz Capital Partners.

Scott Lawrence, Managing Director and Head of Infrastructure at CPPIB, said, “Our investment in IndInfraVIT Trust reflects our long-term confidence in the Indian infrastructure market and our belief in the ability of these toll roads to deliver strong risk-adjusted returns. The IndInfraVIT Trust, established by our investment partner L&TIDPL, was the first private InvIT of its kind in India, and we have been involved since its inception. We now look forward to the growth that is expected through our additional investment in these operating road assets.”

CPPIB expects its financial commitment in connection with the proposed transaction to be up to C\$220 million.

“We are proud to support this further growth of the IndInfraVIT platform, and look forward to working with our fellow unitholders and Sadbhav to create additional value together. Our investment in IndInfraVIT represents one more example of how OMERS Infrastructure continues building a diverse portfolio of high-quality global assets to pay pensions to our members,” said Ralph Berg, Executive Vice President and Global Head of OMERS Infrastructure.

Shashin Patel, Chairman, at Sadbhav said, “The transaction and partnership with IndInfraVIT marks a significant milestone for Sadbhav Group. This is a very exciting phase in our journey and we are very committed to delivering growth and value to our shareholders, both at SIPL and SEL. We look forward to our partnership with IndInfraVIT and its marquee set of unitholders. We are committed to continue providing quality maintenance services and project management services to the portfolio.”

Ambit Private Limited acted as the exclusive financial adviser to IndInfraVIT.

Morgan Stanley acted as the exclusive financial adviser to SIPL.

CONTACT INFORMATION:**IndInfraVIT Trust**

Mathew George
Chief Financial Officer,
LTIDPL IndvIT Services Limited (Investment Manager of IndInfraVIT Trust)
+91 (0) 44 2252 8749
contact-us@indinfravit.com

Sadbhav Infrastructure Project Limited

Varun Mehta
Chief Financial Officer
+91 22 2409 5887
Varun.Mehta@sadbhav.co.in

Allianz Capital Partners

Pia Gröger
+49 89 1220 8267
pia.groeger@allianzcapitalpartners.com

CPPIB

Darryl Konynenbelt
Director, Global Media Relations
+1 416-972-8389
dkonynenbelt@cppib.com

Steve McCool
Consultant, Global Corporate Communications
+44 20 3947 3002
smccool@cppib.com

OMERS

Neil Hrab
Manager, External Communications and Media Relations
+1 416 369 2418
nhrab@omers.com



SADBHAV INFRASTRUCTURE PROJECT LIMITED (SIPL)

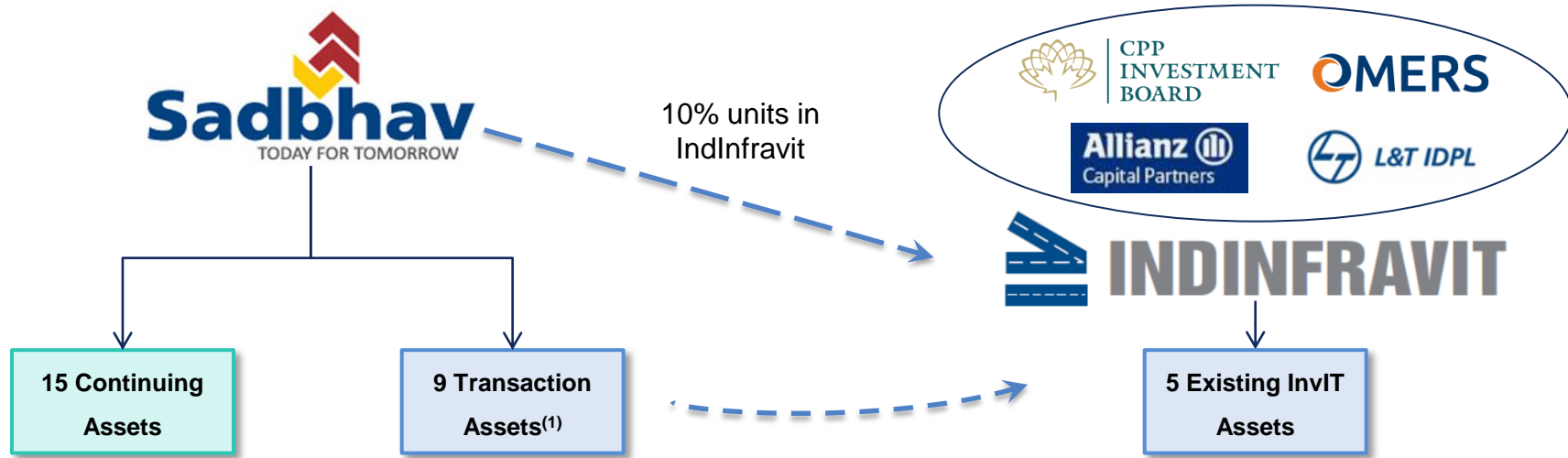
**Transaction for Sale of
Assets and Entering in to
Partnership with IndInfravit**

July 1, 2019

SIPL Enters into a Landmark Transaction with IndInfraVIT for Sale of 100% Stake in 9⁽¹⁾ Road Projects

Morgan Stanley was the exclusive financial advisor to SIPL and SEL; Inga Advisors was advisor to the Promoters of Sadbhav Group

- 1 Sale of 9 Assets⁽¹⁾ to IndInfraVIT Trust for Enterprise Value of INR 66.1 Bn^(2,3) leading to de-consolidation of net debt of INR 40.6 Bn
- 2 Equity Value of INR 25.5 Bn^(2,3) against Equity investment of INR 15.0⁽²⁾ Bn (c.1.7x)
Consideration split into 10% of IndInfraVIT units and c.INR 19 Bn cash
- 3 Partnership with Best-in-Class Roads Platform and its Marquee Investors
- 4 ROFO option to IndInfraVIT in respect of all future operational assets of SIPL
- 5 SIPL to continue routine and major maintenance of 9 assets (INR 40 Bn contract for remaining concession period)
- 6 SIPL to get Project Management fees (linked to toll collections) for 9 transaction assets



Notes

1. MBHPL is currently held by Sadbhav Engineering Limited (SEL), SIPL's parent company
2. Includes value for 23% stake of minority shareholder in BHTPL (INR 0.7 Bn) and shareholder loans
3. Subject to certain adjustments in accordance with definitive agreements.

Transaction Highlights

Overview

- Purchase consideration of INR 25.5 Bn⁽¹⁾ for 9 assets⁽²⁾, split into units (10% of units of IndInfravit) and c.INR 19 Bn in cash
- SIPL to continue routine maintenance and major maintenance (INR 40 Bn contract for remaining concession period)
- SIPL to get Project Management fees (linked to toll collections)
- Additional upside from car revenues from ARRIL, extension of concession period for AJTL and claims from the transaction assets
- Approvals required for closing
 - Shareholder / unitholder approvals of SIPL and IndInfravit
 - The transaction is conditional upon the approval by NHA / state authorities and lenders
 - Also subject to other customary conditions including IndInfravit capital raise

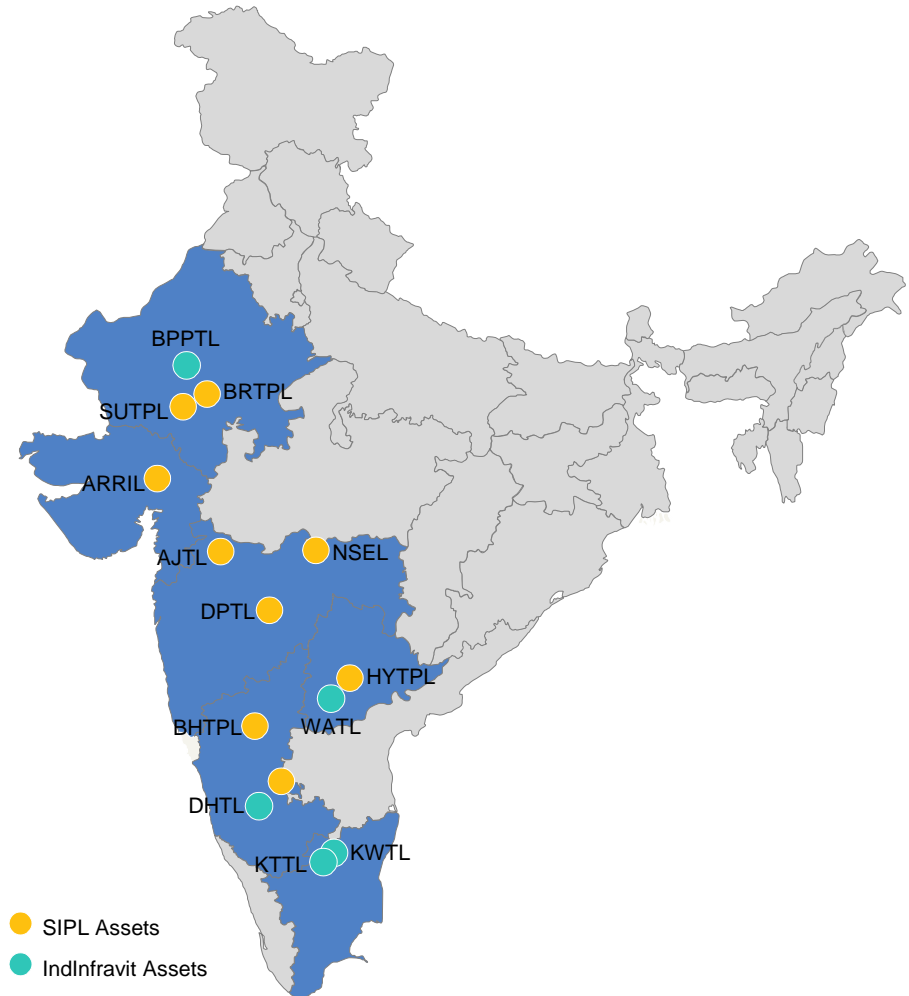
Transaction Rationale

- | | |
|--|---|
| <p>1 ROFO option to IndInfravit in respect of all future operational assets</p> | <p>2 Deleveraging the balance sheet: De-consolidation of net debt by INR 40.6 Bn</p> |
| <p>3 Partnership with Global Investors with enhanced access to capital</p> | <p>4 Superior Liquidity: SIPL will be in a stronger position to deploy capital for future BOT, HAM and TOT assets</p> |

Notes

1. Includes value for 23% stake of minority shareholder in BHTPL (INR 0.7 Bn) and shareholder loans; subject to certain adjustments in accordance with definitive agreements
2. MBHPL is currently held by Sadbhav Engineering Limited, SIPL's parent company
3. SIPL has entered into a **ROFO agreement** with IndInfravit for all existing and future assets

Geographically Diversified Assets



SIPL Asset Overview

Transaction Assets

9 Projects ⁽¹⁾ (7 Toll + 2 Annuity)	750 km (c. 2,600 lane km)	INR 9.1 Bn FY19 Revenue	INR 7.9 Bn FY19 EBITDA	INR 66.1 Bn ^(2,3) Enterprise Value	INR 25.5 Bn ^(2,3) Equity Value
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- Equity value to be paid as c.INR 19 Bn in cash and 10% units in IndInfra

Continuing Assets (3 Operational BOT Assets)

MBCPNL 24 Check Posts Balance Concession: 14.4 Years	RPTPL + RHTPL 180 km (720 lane km) Balance Concession: 16.6 Years	INR 4.1 Bn FY19 Revenue	INR 3.2 Bn FY19 EBITDA	INR 30.2 Bn FY19 Debt	INR 8.4 Bn FY19 Equity invested
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Continuing Assets (12 HAM Assets)

660 km (c. 2,450 lane km)	INR 109 Bn Project Cost	c. INR 4.3 Bn Equity Invested	8 projects under-construction	Balance 4 projects achieved FC
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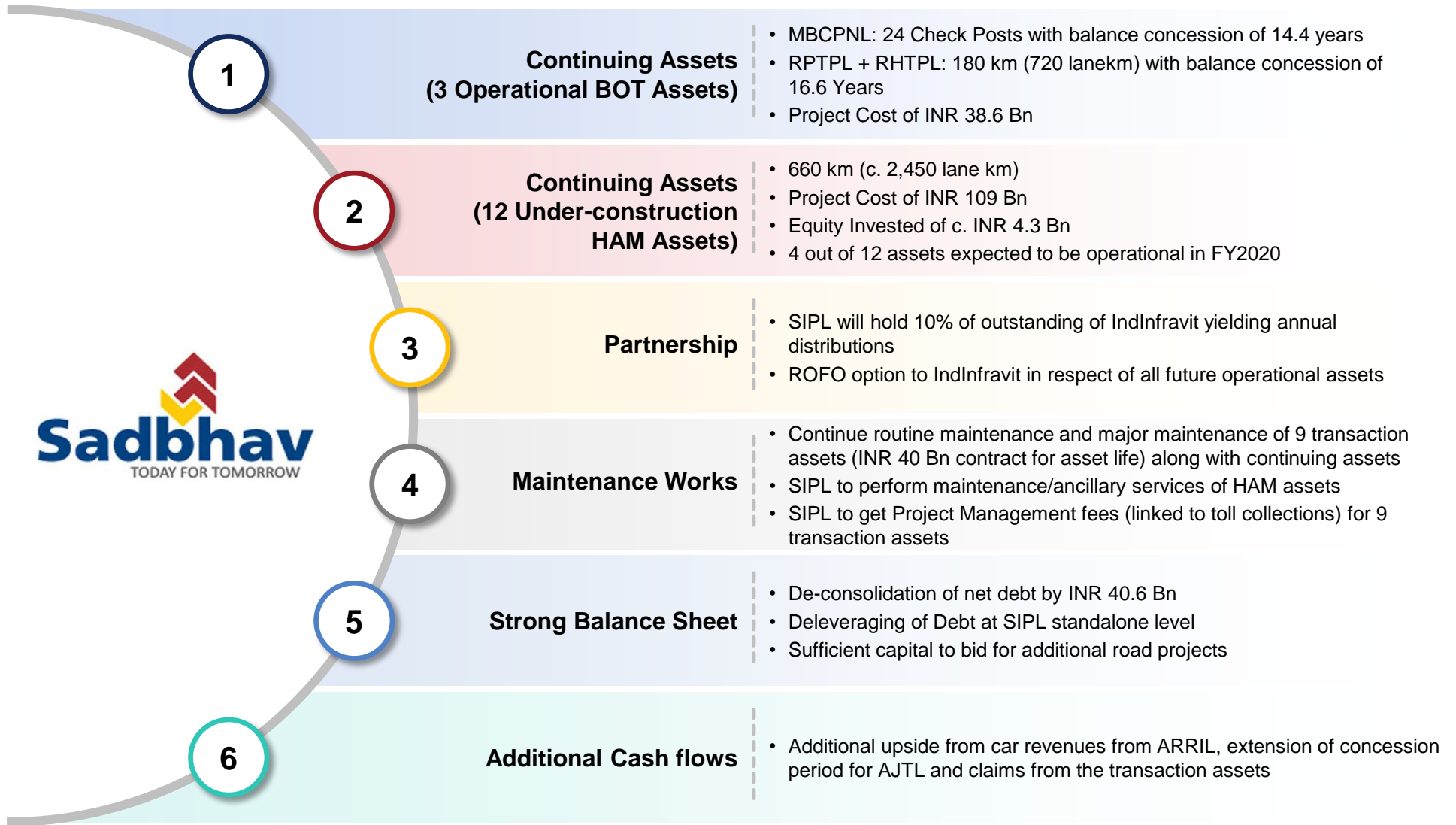
- 4 out of 12 assets expected to be operational in FY20
- Spread across Gujarat, Maharashtra, Rajasthan, Karnataka, Andhra Pradesh, Uttar Pradesh and Uttarakhand

Notes

1. MBHPL is currently held by Sadbhav Engineering Limited, SIPL's parent company
2. includes value for 23% stake of minority shareholder in BHTPL (INR 0.7 Bn) and shareholder loans
3. Subject to certain adjustments in accordance with definitive agreements.

SIPL v2.0

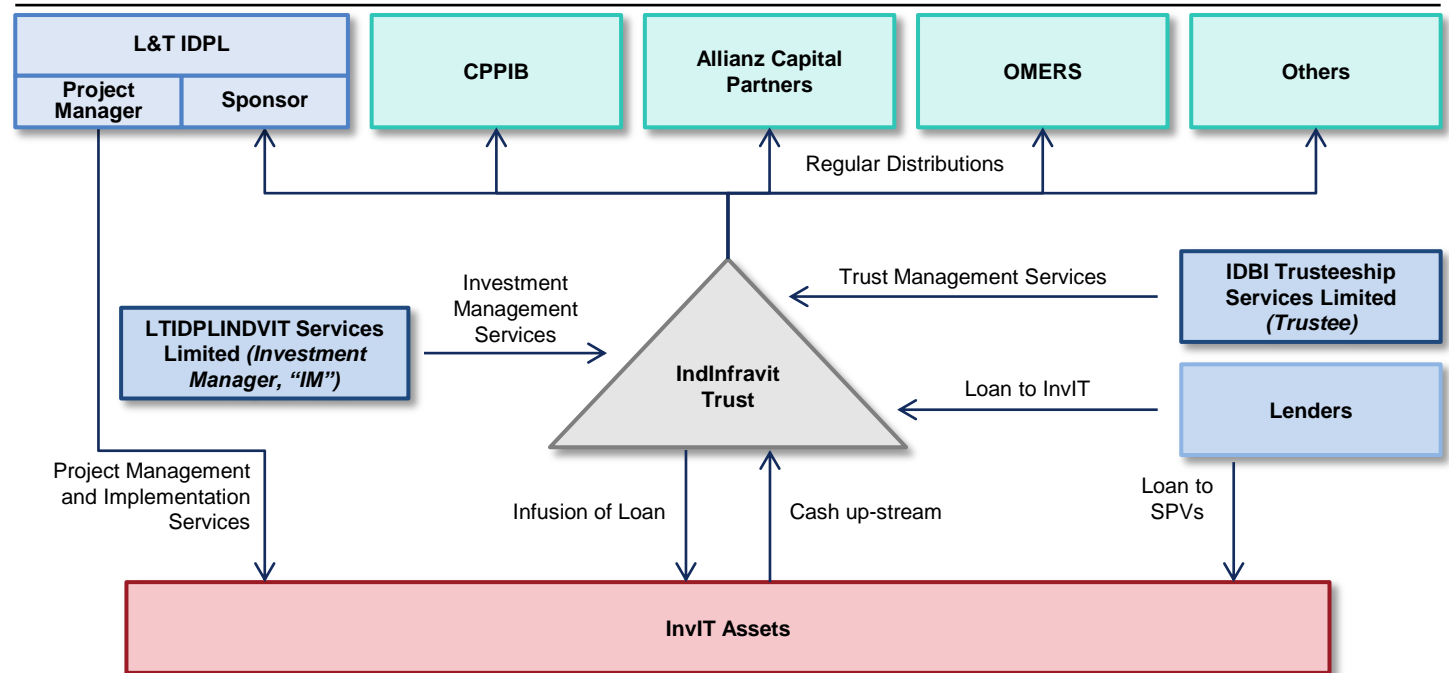
Post Transaction Assets



Overview of IndInfravit Trust

- On May 9, 2018, the units of the IndInfravit Trust were listed
- Currently, IndInfravit holds 5 operational NHAI toll road assets, aggregating to 611 km of highways across four states in western and southern India
- Prior to the transaction, CPPIB, ACP and OMERS together own more than 75% units in the IndInfravit Trust and L&T IDPL owns 15%

IndInfravit Structure



Post Transaction Overview

14 Projects
(12 Toll + 2 Annuity)

1,363 kms
(c.5,350 lane km)

INR 123 Bn
Project Cost

c. INR 18 Bn
FY2019 Revenue⁽¹⁾

Notes

- Pro-forma FY2019 Revenue Includes revenue from 5 IndInfravit projects and 9 SIPL projects

Overview of SIPL Continuing Projects

3 BOT Operational Projects and 12 Low-risk Under-construction HAM assets

Operational Assets	Project Name	Project Cost	Stake	Equity Invested ⁽³⁾	FY19 Debt	FY19 Revenue ⁽¹⁾	FY19 Cash EBITDA ⁽¹⁾	Operational History	Remaining Concession Life
		INR MM		INR MM	INR MM	INR MM	INR MM	Years	Years
	MBCPNL	14,264	97%	4,927	11,421	2,311	1,710	6.2	14.4
Rohtak Hissar	12,716	100%	1,101	9,417	656	554	2.9	16.5	
Rohtak Panipat	11,610	100%	2,427	9,323	1,125	979	5.5	16.8	
Total	38,590		8,454	30,161	4,092	3,243	4.9⁽²⁾	15.9⁽²⁾	

HAM Assets	Project Name	Project Cost	Stake	Equity Invested ⁽³⁾	Concession Life
		INR MM		INR MM	Years
	Bhavnagar	8,190	100%	546	15.0
Bangalore	10,080	100%	948	15.0	
Rampur I	7,380	100%	643	15.0	
Rampur II	6,570	100%	461	15.0	
Una	6,230	100%	285	15.0	
Udaipur	8,910	100%	648	15.0	
Waranga Mahagaon	10,710	100%	488	15.0	
Bhimasar	11,500	100%	56	15.0	
Jodhpur RR	11,060	100%	228	15.0	
Tumkur III	10,080	100%	0.5	15.0	
Vadodara	14,040	100%	5.6	15.0	
Visakhapatnam	5,490	100%	0.5	15.0	
Total	109,030		4,310		

Notes

1. Includes O&M cost, employee benefit and other operating expenses; excludes NHAI grant, construction revenue and costs;
2. Reflects average operational history and remaining concession life across all operational projects
3. Equity invested till March 31, 2019